

MINUTES OF THE REGULAR MEETING
OF THE
COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY
March 17, 2015

The Commissioners of the Chicago Housing Authority held its Regular Meeting of the Board of Commissioners on Tuesday, March 17, 2015, at approximately 8:45 a.m. at the CHA Corporate Offices, 60 E. Van Buren, 12th Floor Loft, in Chicago, IL.

Chairperson Z. Scott called the meeting to order and upon roll call those present and absent were as follows:

Present:	Mark Cozzi Dr. Mildred Harris Harriet Johnson Jack Markowski Bridget Reidy Z. Scott
Absent:	Matthew Brewer Rodrigo Sierra Francine Washington

Also present were Michael Merchant, Chief Executive Officer; Scott Ammarell, Chief Legal Officer; Chicago Housing Authority Staff Members and the General Public.

Commissioners Matthew Brewer and Rodrigo Sierra joined the meeting in Closed Executive Session.

There being a quorum present, the meeting duly convened and business was transacted as follows:

Upon Motion made by Chairwoman Scott and properly seconded by Commissioner Johnson, the Commissioners adjourned to Executive Session. Chairwoman Scott announced that pursuant to the Open Meetings Act, 5 ILCS 120/2, the Board would adjourn for approximately one hour to discuss personnel related matters; purchase, sale and lease of real estate property; pending, probable or imminent litigation; review of closed meeting minutes and audit reviews.

The Commissioners subsequently reconvened in Open Session at approximately 11:10 a.m.

Chairwoman Scott called the meeting to order and upon roll call those present and absent were as follows:

Present:	Matthew Brewer Mark Cozzi Dr. Mildred Harris Harriet Johnson Jack Markowski Bridget Reidy Z. Scott Rodrigo Sierra
Absent:	Francine Washington

There being a quorum present, the meeting duly convened and business was transacted as follows:

After Motion made by Commissioner Brewer and properly seconded by Commissioner Cozzi, the Minutes for the Regular and Closed meetings of February 17, 2015 were unanimously approved as submitted.

Per Chairperson Scott, during closed meeting, commissioners discussed matters relating to Items 1 and 2. Commissioner Sierra then presented a motion for the approval of Items 1 and 2.

(Item 1)

RESOLUTION NO. 2015-CHA-16

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated February 17, 2015, as revised March 17, 2015, entitled “Ratification of Altgeld Memorandum of Agreement”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners hereby ratifies the Memorandum of Agreement entered into on January 29, 2015 by and between the Chicago Housing Authority (“CHA”) and the Gautreaux Plaintiffs and their counsel Business and Professional People for the Public Interest (“BPI”).

(Item 2)

RESOLUTION NO. 2015-CHA-17

WHEREAS, the Board of Commissioners has reviewed Board Letter dated March 11, 2015, entitled “Authorization to Exercise Option to Extend Legal Services Agreement with Various Law Firms”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the exercise by the Chief Executive Officer or his designee, subject to approval of the United States Department of Housing and Urban Development, of the options to extend the Legal Services Agreements with the law firms listed in the Attachment hereto for a one year period and until their assigned matters are resolved.

Attachment

Group A – General Litigation

Arnstein & Lehr, LLP

Ballard, Spahr, Andrews & Ingersoll, LLP

Best, Vanderlaan & Harrington

Brothers & Thompson, P.C.

Burke, Burns & Pinelli, Ltd.

Dykema & Gossett, PLLC-

Foran, Glennon, Palandech, Ponzi & Rudloff

Gonzalez, Saggio & Harlan, LLC

Grant, Schumann, LLC

Hoogendoorn & Talbot, LLP

Ice Miller, LLP

Jenner & Block, LLP

Johnson, Jones, Snelling, Gilbert & Davis, P.C.

Judge, James & Kujawa, LLC

Laner, Muchin, Dombrow, Becker, Levin & Tominberg, Ltd.

Much, Shelist, Denenberg, Ament & Rubenstein, P.C.

Neal & Leroy, LLC

Peterson, Johnson, Murray

Quintairos, Prieto, Wood & Boyer, P.A.

Rothschild, Barry & Myers, LLP

Sanchez, Daniels & Hoffman, LLP

Schiff, Hardin, LLP

Seyfarth Shaw, LLP

Smith Amundsen, LLC

Tressler LLP Tribler, Orpett & Meyer, P.C.

Ungaretti & Harris, LLP

Varga, Berger, Ledsky, Hayes & Casey, P.C.

Winston & Strawn

Group B – Personal Injury Litigation
Best, Vanderlaan & Harrington
Brothers & Thompson, P.C.
Burke, Burns & Pinelli, Ltd.
Dykema & Gossett, PLLC
Foran, Glennon, Palandech, Ponzi & Rudloff
Gonzalez, Saggio & Harlan, LLC
Hoag Law Group, LLC
Hoogendoorn & Talbot, LLP
Judge, James & Kujawa, LLC
Nyhan, Bambrick, Kinzie & Lowry, P.C.
Peterson, Johnson, Murray
Quintairos, Prieto, Wood & Boyer, P.A.
Rothschild, Barry & Myers, LLP
Sanchez, Daniels & Hoffman, LLP
Smith Amundsen, LLC
Tressler LLP-
Tribler, Orpett & Meyer, P.C.

Group C – Forcible Entry & Detainer

Neal & Leroy, LLC
Nyhan, Bambrick, Kinzie & Lowry, P.C.
Tristan & Cervantes

Group D – Workers’ Compensation Litigation

Hennessy & Roach, P.C.
Kelly, Kronenberg, P.A.
Nyhan, Bambrick, Kinzie & Lowry, P.C.
Peterson, Johnson, Murray
Quintairos, Prieto, Wood & Boyer, P.A.
Smith Amundsen, LLC

Group E – Contracts, General Corporate Services and Policy and Legislation Counseling

Arnstein & Lehr, LLP
Ballard, Spahr, Andrews & Ingersoll, LLP
Burke, Burns & Pinelli, Ltd.
Dykema & Gossett, PLLC-
Hawkins, Delafield & Wood, LLP
Jenner & Block, LLP
Much, Shelist, Denenberg, Ament & Rubenstein, P.C
Neal & Leroy, LLC
Quintairos, Prieto, Wood & Boyer, P.A.
Reno & Cavanaugh
Reyes & Kurson
Schiff, Hardin, LLP
Seyfarth Shaw, LLP
Tristan & Cervantes
Ungaretti & Harris, LLP
Winston & Strawn

Group F – Real Estate and Finance Law Matters

Albert, Whitehead, P.C.
Applegate & Thorne-Thomsen, P.C.
Arnstein & Lehr, LLP
Ballard, Spahr, Andrews & Ingersoll, LLP
Burke, Burns & Pinelli, Ltd.
Charity & Associates, P.C.
Deutsch, Levy & Engel, Chtd.
Dykema & Gossett, PLLC
Gonzalez, Saggio & Harlan, LLC
Ice Miller, LLP

Jenner & Block, LLP
Kutak Rock, LLP
Neal & Leroy, LLC
Quintairos, Prieto, Wood & Boyer, P.A.
Reno & Cavanaugh
Reyes & Kurson
Schiff, Hardin, LLP
Seyfarth Shaw, LLP
Tressler LLP
Tristan & Cervantes
Ungaretti & Harris, LLP
Winston & Strawn

Group G – Labor Negotiations and Employment Law Matters

Arnstein & Lehr, LLP
Ballard, Spahr, Andrews & Ingersoll, LLP
Brothers & Thompson, P.C.
Burke, Burns & Pinelli, Ltd.
Grant, Schumann, LLC
Ice Miller, LLP
Laner, Muchin, Dombrow, Becker, Levin & Tominberg, Ltd.
Much, Shelist, Denenberg, Ament & Rubenstein, P.C.
Peterson, Johnson, Murray
Sanchez, Daniels & Hoffman, LLP
Schiff, Hardin, LLP
Seyfarth Shaw, LLP
Tristan & Cervantes
Ungaretti & Harris, LLP
Winston & Strawn

Group H – Ethics Counseling

Arnstein & Lehr, LLP
Ballard, Spahr, Andrews & Ingersoll, LLP
Burke, Burns & Pinelli, Ltd.
Ice Miller, LLP
Jenner & Block, LLP
Neal & Leroy, LLC
Schiff, Hardin, LLP
Seyfarth Shaw, LLP
Winston & Strawn

Group I – Appellate Litigation

Arnstein & Lehr, LLP
Best, Vanderlaan & Harrington
Burke, Burns & Pinelli, Ltd.
Donohue, Brown, Mathewson & Smyth, LLC
Dykema & Gossett, PLLC
Grant, Schumann, LLC
Ice Miller, LLP
Jenner & Block, LLP
Judge, James & Kujawa, LLC
Laner, Muchin, Dombrow, Becker, Levin & Tominberg, Ltd.
Much, Shelist, Denenberg, Ament & Rubenstein, P.C.
Nyhan, Bambrick, Kinzie & Lowry, P.C.
Peterson, Johnson, Murray
Quintairos, Prieto, Wood & Boyer, P.A.
Reyes & Kurson
Rothschild, Barry & Myers, LLP
Sanchez, Daniels & Hoffman, LLP
Schiff, Hardin, LLP
Tressler LLP
Tribler, Orpett & Meyer, P.C.

Ungaretti & Harris, LLP
Winston & Strawn

The Motion to adopt resolutions for Items 1 and 2 was seconded by Commissioner Johnson and the voting was as follows:

Ayes:	Matthew Brewer Mark Cozzi Dr. Mildred Harris Harriet Johnson Jack Markowski Bridget Reidy Z. Scott Rodrigo Sierra
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Nays:	None
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There being no questions or discussion, Chairwoman Scott thereupon declared said Motion carried and said resolutions adopted.

Committee Chair Mark Cozzi then presented the report of the Finance & Personnel Committee meeting. Per Commissioner Cozzi, the Finance & Personnel committee met on Wednesday, March 6, 2015, at the CHA Corporate Offices located at 60 E. Van Buren, 12th Fl., in Chicago. Present at the meeting were Commissioners Johnson and Markowski. Commissioners adjourned to closed session to discuss Item 4, Personnel Actions. Commissioners then returned to open session and discussed and approved Items 3 and 4. Item 4 was also discussed in closed session today.

On behalf of the Finance & Personnel Committee, Commissioner Cozzi then presented an Omnibus Motion for the approval of Items 3 and 4.

(Item 3)

The CHA must annually renew its insurance coverage for the Property Manager's Insurance Program (PMIP). Underwriters were invited to a presentation by CHA staff and a tour of three development locations. The tour was designed to give the underwriters a first-hand look at each type of development (Senior, Family and Scattered Sites) and to allow informal question and answer sessions with the PPM staff. Aon directly and indirectly (through one wholesaler) solicited requests for insurance premium quotes from 19 insurance carriers for each line of the coverage layers. Specifications were sent on January 9th and quotes were received by January 30, 2015. Aon was able to obtain competition in each layer of coverage. A list of the insurers approached was compiled in Aon's Quote Disclosure Report, which includes each insurer's response to the broker. Based on the foregoing, the resolution for Item 3 approves purchase of the following insurance coverage(s) for the period of April 1, 2015 through March 31, 2016, in the total amount of \$967,805, through its insurance broker of record, Aon Risk Services, Inc.: (1) Primary General Liability coverage written through Swiss Re American Holding/First Specialty in the amount of \$459,485; (2) Umbrella Liability coverage written through Swiss Re American Holding/First Specialty in the amount of \$373,320; and (3) Excess Liability written through AWAC in the amount of \$135,000. The recommended coverages and their respective premiums represent a 16% reduction in total costs relative to the prior year.

RESOLUTION NO. 2015-CHA-18

WHEREAS, The Board of Commissioners has reviewed the memorandum dated March 6, 2015 entitled "Recommendation to Award Contracts for Property Managers' Insurance Program coverage to Swiss Re American Holding/First Specialty for General Liability and Umbrella Liability coverage, and to Allied World Assurance Company for Excess Liability, for the Period of April 1, 2015 – March 31, 2016, in the Aggregate Amount of \$967,805."

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, The Board of Commissioners authorizes the Chief Executive Officer or his designee to purchase the insurance coverage for CHA's Property Managers' Insurance Program ("PMIP") through its insurance broker of record, Aon Risk

Services, Inc., for the period of April 1, 2015 through March 31, 2016 for the aggregate amount of \$967,805, broken down as follows: (1) Primary General Liability coverage written through Swiss Re American Holding/First Specialty in the amount of \$459,485; (2) Umbrella Liability coverage written through Swiss Re American Holding/First Specialty in the amount of \$373,320; and (3) Excess Liability written through Allied World Assurance Company in the amount of \$135,000.

(Item 4-Amended)

RESOLUTION NO. 2015-CHA-19

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated March 6, 2015, entitled "Approval of Personnel Actions", as amended in Closed Session.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby approves the requested personnel actions, as amended in Closed Session.

The Motion to adopt resolutions for Items 3 and Amended Item 4 was seconded by Commissioner Sierra and the voting was as follows:

Ayes: Matthew Brewer
 Mark Cozzi
 Dr. Mildred Harris
 Harriet Johnson
 Jack Markowski
 Bridget Reidy
 Z. Scott
 Rodrigo Sierra

Nays: None

There being no questions or discussion, Chairwoman Scott thereupon declared said Motion carried and said resolutions adopted.

Committee Chair Bridget Reidy, Chairwoman of the Operations and Facilities Committee, then presented her report. Per Commissioner Reidy, the Operations and Facilities committee met on Wednesday, March 11, 2015, at the CHA Corporate Offices, 60 East Van Buren in Chicago. Commissioner Sierra chaired the meeting and the following committee members were present as well: Commissioners Harris and Washington. After presentation by staff, committee members discussed and voted on items appearing on the agenda.

On behalf of the Operations & Facilities Committee, Commissioner Reidy then presented an Omnibus Motion for the approval of Items 5 through 7.

(Item 5)

The resolution for Item 5 approves the FY2014 Moving to Work (MTW) Annual Report and grants authorization to submit the document to HUD for approval. CHA and HUD signed the original MTW Agreement on February 6, 2000, which allowed CHA to implement the original Plan for Transformation. CHA's Amended and Restated MTW Agreement with HUD was fully executed on June 26, 2008, which extended CHA's participation in the MTW Demonstration Program through FY2018. In April 2013, CHA unveiled a new strategic plan, *Plan Forward: Communities that Work*, which outlines the agency's newly articulated mission and strategic goals that will guide CHA's current and future work. As CHA implements Plan Forward initiatives, the agency will continue to pursue the three statutory objectives of the MTW Demonstration Program: increase housing choices for low-income families; give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and reduce costs and achieve greater cost effectiveness in federal expenditures. As part of the MTW Agreement, CHA is required to submit an Annual Report to HUD, due 90 days after the end of the fiscal year. The FY2014 MTW Annual Report provides information necessary for HUD to assess CHA's performance in FY2014 regarding both operations and activities authorized by the MTW

Demonstration Program. In May 2013, HUD issued a revised Form 50900 which outlines new requirements for the content of MTW Annual Plans/Reports and for tracking the impact of MTW activities. CHA continues to work with HUD to ensure compliance with the new Form 50900.

RESOLUTION NO. 2015-CHA-20

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated March 11, 2015 requesting approval of the FY2014 Moving to Work Annual Report, attached hereto;

THEREFORE BE IT RESOLVED BY CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners hereby approves the attached FY2014 Moving to Work Annual Report and grants authorization to the Chief Executive Officer, the Board Chairperson, or their designee to make any final updates as deemed necessary.

THAT the Board of Commissioners grants authorization to submit the FY2014 Moving to Work Annual Report to the U.S. Department of Housing and Urban Development on March 31, 2015. Such approval shall constitute conclusive evidence of the Board's approval of any and all such updates.

(Item 6)

The resolution for Item 6 approves an Intergovernmental Agreement (IGA) with the City of Chicago Police Department (CPD) for supplemental police services for 2015 and 2016 for an amount not-to-exceed \$8,000,000. The CHA originally entered into an IGA with the CPD for supplemental police services in 2000 after disbanding the CHA Police. Since that time, the CHA has continued with this approach of providing supplemental police services through subsequent IGAs and amendments. The IGA allows CPD to continue to provide specialized policing programs at designated CHA properties as assigned. These supplemental police services include: dedicated watches for Cabrini Rowhouses, Henry Horner/Westhaven, Altgeld/Murray, Lake Parc Place, Brooks/Roosevelt Square, Oakwood Shores, Jackson Square, Wentworth Gardens, Trumbull Park, and/or other CHA communities as needed; increased foot patrols; customized policing strategy; attendance at monthly community security meetings to increase visibility in the community; monitoring and prevention of gang activities and monitoring of drug and other illegal activities. The IGA also allows CPD to continue to attend all court hearings for all arrests made by the police officers; responding to acts of domestic violence; responding to unauthorized or unlawful activities or entries into residences; providing a dedicated CPD staff member for crime data analysis, statistics and crime reports and additional coverage for summer surge and lease enforcement actions, as needed. CHA's budget for 2015 for supplemental police coverage includes \$6M for daily coverage, summer surge, data analysis support, as well as police assistance related to lease enforcement actions. This IGA permits an additional \$2M annually in police coverage subject to approval by the CEO and appropriate budget availability and authorization.

RESOLUTION NO. 2015-CHA-21

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated March 11, 2015, entitled "AUTHORIZATION TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF CHICAGO POLICE DEPARTMENT FOR SUPPLEMENTAL POLICE SERVICES FOR 2015 AND 2016";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into an Intergovernmental Agreement with the Chicago Police Department for a two year period from January 1, 2015 through December 31, 2016 for an amount not-to-exceed \$6,000,000 annually with the ability to increase to not-to-exceed \$8,000,000 annually subject to CEO approval and budget authorization to provide supplemental police services for CHA properties and programs.

(Item 7)

The resolution for Item 7 approves contract amendment and task order modification for various Prime Design Consultant (PDC) services contracts in the amount not-to-exceed \$270,000 to the reserve capacity of the Indefinite Delivery Indefinite Quantity (IDIQ) Programs for a new not-to-exceed (NTE) total of \$10,770,000 and amending the following individual Regional PDC contracts to increase their respective NTE values as follows: Contract No. 9048 with Harley Ellis Devereaux in the amount of \$185,000; Contract No. 9049 with Holabird and Root, LLC in the amount of \$75,000; Contract 9050 with Globetrotters Engineering Corporation in the amount of \$400,000. The aggregate increase requested is the not-to-exceed amount of \$930,000. The prime design consultants provide complete architectural/engineering services in connection with modernization, rehabilitation, and maintenance of the CHA's real estate portfolio. These services include, but are not limited to, evaluating construction feasibility, scope assessment, overseeing the municipal permitting process, developing construction documents, providing construction administration support, overseeing the substantial completion phase, and other related services. The IDIQ Program funding increase and the contract amendments associated with the above individual Regional PDC contracts are required to provide funding for potential task order modifications for architectural/engineering services until current construction projects issued under existing task orders the PDC contracts have been completed.

RESOLUTION NO. 2015-CHA-22

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated March 11, 2015 entitled "APPROVAL OF AN INCREASE IN THE PDC IDIQ PROGRAM FUNDING AND CONTRACT AMENDMENTS FOR INDIVIDUAL REGIONAL PDC CONTRACTS";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners approve the following:

1. An increase in the reserve capacity of the Indefinite Delivery, Indefinite Quantity (IDIQ) Program for Prime Design Consultant Services (PDC) for the Capital Construction Department (the "PDC IDIQ PROGRAM") in an amount not-to-exceed ("NTE") of \$270,000 for a new NTE \$10,770,000 for the program.
2. Amending the following individual Regional PDC contracts to increase their respective NTE values as follows:
 - a. Contract No. 9048 with Harley Ellis Devereaux ("HED") in the amount of \$185,000.
 - b. Contract No. 9049 with Holabird and Root, LLC ("H&R") in the amount of \$75,000
 - c. Contract 9050 with Globetrotters Engineering Corporation ("GEC") in the amount of \$400,000.

The aggregate increase requested is the NTE amount of \$930,000.

The Motion to adopt resolutions for Items 5 through 7 was seconded by Commissioner Harris and the voting was as follows:

Ayes:	Matthew Brewer Mark Cozzi Dr. Mildred Harris Harriet Johnson Jack Markowski Bridget Reidy Z. Scott Rodrigo Sierra
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Nays:	None
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There being no questions or discussion, Chairwoman Scott thereupon declared said Motion carried and said resolutions adopted.

Jack Markowski, Chairman of the Real Estate Development committee, then presented his report. Per Commissioner Markowski, since there was no quorum, the Real Estate and Development committee did not officially meet, however, Commissioners and the public were briefed on the three items appearing on the agenda, and the items were open to comments and questions from Commissioners and the public, but for the record, no vote was taken.

On behalf of the Real Estate Development Committee, Commissioner Markowski then presented an Omnibus Motion for the approval of Items 8 through 10.

(Item 8)

The resolution for Item 8 approves execution of a Housing Assistance Payments Contract (HAP) for Illinois Accessible Housing Initiative Phase II Stage 2 (IAHI Phase II). The developer, Home First Illinois (HFI) received State funds to acquire 200 condo units in Cook County, including 45 located in Chicago, to be retrofitted for wheelchair users transitioning out of nursing homes. The Chicago units were acquired in 2 phases. Phase I, consisting of 20 units in two stages, was approved by the CHA Board in August 2012 and in May 2013. Phase I is fully leased. CHA Board approved Phase II Stage 1, consisting of 14 units, in July 2014. 8 of the 14 units are now leased and leasing is underway for the other 6 units. At this time HFI has acquired the remaining 11 units in the second and final stage of Phase II, consisting of 5 studio and 6 one-bedroom apartments in six condominium buildings located in five community areas. These units will count toward CHA's 200-unit Section 811 commitment to the State. HFI, a

subsidiary of IFF, was created to develop and own supportive housing for very low-income people with disabilities. HFI received \$11.5 million in Build Illinois Bonds funds from IHDA in 2013 to develop accessible housing for households referred through the Money Follows the Person (MFP) program. All 20 units in Phase I and 8 units in Phase II are now under a PRA contract, with the other 6 pending HQS inspections. The units will be managed by Affordable Property Management Specialists, which has been in business since 2006 and currently manages four LIHTC projects in 10 buildings totaling 275 units in the City. The owner/manager of IAH Phase II Stage 2 will lease all of the PRA-assisted units to physically disabled applicants referred from the State of Illinois' Money Follows the Person program. Any applicants that are also on CHA's waiting list will be given a priority preference. Initial contract rents will be determined by market comparables and fair market rents applicable at the time the HAP contract is executed. All rent determinations will comply with federal regulations and Chicago Housing Authority (CHA) policy.

RESOLUTION NO. 2015-CHA-23

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated March 11, 2015 requesting authorization to execute a HAP contract for Illinois Accessible Housing Initiative Phase II Stage 2;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute a HAP contract for Illinois Accessible Housing Initiative Phase II Stage 2.

(Item 9)

The resolution for Item 9 approves submittal of a Development Proposal and Evidentiary Documents to HUD and commits CHA funds not-to-exceed \$8,025,000 for City Gardens; City Gardens is a single phase, mixed income rental development to be built upon a vacant, CHA-owned single block (formerly known as Maplewood Courts, a city/state parcel) bounded by W. Jackson Boulevard, W. Van Buren Street, and S. Rockwell and S. Maplewood Avenues. City Gardens is located within the Rockwell Gardens revitalization area and will consist of 76 units comprised of 25 public housing units, 30 affordable and 21 market rate units. Eight total buildings include seven three-story walk up residential buildings and one building for property management offices and community spaces. The developer for the City Gardens redevelopment, B-M Maplewood, LLC an Illinois limited liability company is a joint venture of Brinshore Holding, LLC and Michaels Development Company 1, L.P. Both development teams were selected under CHA's Housing for Chicagoans Everywhere program and approved as the selected developer for the Maplewood Courts site by the Board on November 17, 2009. Developer will create an ownership entity to be the owner of the development and to execute the ground lease. The total estimated development budget for the City Gardens rental development is approximately \$28,403,417 and includes the CHA Loan of approximately \$7,275,000 to be funded with a combination of HOPE VI and CHA General Funds. In addition, approximately \$1,282,891 of CHA General Funds will be provided for site remediation. Additional project sources include approximately \$750,000 of CHA General and HOPE VI Funds for The Habitat Company Administrative fees and costs, CHA Administration, Initial Operating Deficit Reserve, and Project Coordination/Additional Services fee. The estimated remediation costs for the City Gardens development is \$1,282,891. CHA's contractual responsibility for remediating foreseen and unforeseen environmental conditions is capped at 200% of this estimated total cost and equals \$2,565,782. The term of the remediation contract shall commence at closing and expire the earlier of (i) receipt of a 'No Further Remediation' letter from the Illinois Environmental Protection Agency (IEPA) or (ii) two years, subject to a one year extension at CHA's election. The required M/W/DBE participation commitment is 40% of the remediation cost to be incurred. Additionally, the contractor will meet or exceed its Section 3 requirement.

RESOLUTION NO. 2015-CHA-24

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated March 11, 2015 entitled "Authorization to: 1) Submit a Development Proposal and Evidentiary documents to the United States Department of Housing and Urban Development (HUD); 2) Commit Chicago Housing Authority (CHA) funds not to exceed \$8,025,000 for City Gardens development; 3) Execute a Ground Lease with the City Gardens Owner Entity; 4) Enter into a contract with Linn Mathes for

environmental remediation activities at the City Gardens redevelopment site in an amount not to exceed \$2,565,782; 5) Approve the Tenant Selection Plan, Lease, Lease Riders and Bylaws for the development to be known as City Gardens and amend the CHA Admissions and Continued Occupancy Policy to incorporate such documents as an addendum thereto; 6) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.”

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to: 1) Submit a Development Proposal and Evidentiary documents to the United States Department of Housing and Urban Development (HUD); 2) Commit Chicago Housing Authority (CHA) funds not to exceed \$8,025,000 for City Gardens development; 3) Execute a Ground Lease with the City Gardens Owner Entity; 4) Enter into a contract with Linn Mathes for environmental remediation activities at the City Gardens redevelopment site in an amount not to exceed \$2,565,782; 5) Approve the Tenant Selection Plan, Lease, Lease Riders and Bylaws for the development to be known as City Gardens and amend the CHA Admissions and Continued Occupancy Policy to incorporate such documents as an addendum thereto; 6) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

This award is subject to each Contractor's compliance with CHA's MBE/WBE/DBE, Section 3 resident hiring, bonding and insurance requirements.

(Item 10)

The resolution for Item 10 approves the issuance and sale of a Multifamily Housing Revenue Note, 2015 Series A (Sterling Park Apartments) in an aggregate principal amount not to exceed \$30,000,000; and to execute and deliver all Note documents in connection with the issuance and sale of the Note; A separate Board Resolution for Sterling Park Apartments was approved in January 2015 to: 1) Submit the Development Proposal and Evidentiary documents to HUD and committed CHA Funds not to exceed \$19,814,758 for New Sterling Park LLC or a related entity. Item 10 is solely related to the CHA's issuance of a tax-exempt Multifamily Housing Revenue Note in the aggregate principal amount not to exceed \$30,000,000 associated with this transaction. Sterling Park Apartments, located at 3301 W. Arthington, is an adaptive re-use of a vacant, four and six-story masonry, historic industrial office and research facility in the Homan Square neighborhood on the West Side of Chicago. The Sterling Park property, formerly owned by the Sears and Roebuck Company, is bounded by W. Arthington Street on the North, S. Spaulding Avenue on the East, Sears/Homan Square buildings on the West and the train trestle on the South. Sterling Park is being developed by Mercy Housing Lakefront in partnership with Boulevard Group Inc., both pre-approved development teams under the CHA's Housing for Chicagoans Everywhere (HCE) Program. New Sterling Park LLC will be the Owner Entity and Borrower. Sterling Park will provide a total of 181 units with a mix of one to four bedroom apartments. The building is configured in two wings, one of six stories and one of four stories with on-site parking and outdoor courtyard and play space. The first floor of the building will also provide 1,890 sq. ft. of management/residential services office space, a new computer lab and fitness room for the exclusive use of residents as well as a community room for meetings and special events. All 181 units will be Low Income Housing Tax Credit (LIHTC) units, with 66 of those units set aside for public housing eligible families with ACC operating subsidy being provided by CHA. All public housing units will be distributed throughout the building. The projected direct costs for the 181 total rental units in the Sterling Park development total \$54,889,367 and include the approximate \$19,715,758 CHA loan. CHA will issue a tax-exempt Multifamily Housing Revenue Note in an amount not to exceed \$30,000,000 which will generate 4% Low Income Tax Credits. Citibank, N.A. will purchase the Note and loan the funds on behalf of CHA and pursuant to a Funding Loan Agreement among the Authority, as Governmental Lender, Citibank, N.A., as Funding Lender, and U.S. Bank National Association, as fiscal agent. The proceeds of the Note will be used by the Authority to make a loan to New Sterling Park LLC pursuant to a Borrower Loan Agreement between the Authority and the Borrower. Upon construction completion, lease-up and stabilization, LIHTC and Historic Tax

Credit equity will be used to partially redeem the Note down to a projected permanent loan amount not greater than \$4,025,000. The Authority will provide permanent financing through its loan of capital or other funds in return for the agreement of the Borrower to rent 66 units at the site to public housing eligible tenants. The Note will be a special limited obligation payable solely from the sources set forth in the Funding Loan Agreement and does not constitute an indebtedness, liability, general or moral obligation, or a pledge or loan of credit, of the Authority, the City of Chicago, the State of Illinois or any political subdivision of the State of Illinois.

RESOLUTION NO. 2015-CHA-25

RESOLUTION PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$30,000,000 AGGREGATE PRINCIPAL AMOUNT OF MULTIFAMILY HOUSING REVENUE NOTE, 2015 SERIES A (STERLING PARK APARTMENTS) OF THE CHICAGO HOUSING AUTHORITY AND AUTHORIZING THE SALE THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF ALL NOTE DOCUMENTS IN CONNECTION WITH THE ISSUANCE AND SALE OF THE NOTE; AND AUTHORIZING THE EXECUTION, DELIVERY AND PERFORMANCE OF ALL AGREEMENTS IN CONNECTION THEREWITH; AND RELATED MATTERS.

WHEREAS, the Chicago Housing Authority, a municipal corporation and body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the “Authority” or “CHA”), including without limitation the Housing Authorities Act, 310 ILCS 10/1 *et seq.*, and all laws amendatory and supplemental thereto, including in particular the Local Government Debt Reform Act, 30 ILCS 350/1 *et seq.* (the “Act”), is authorized by the laws of the State of Illinois (the “State”), including without limitation the Act, to issue its revenue notes and bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to finance the cost of the development and construction of multifamily rental housing located in the jurisdiction of the Authority; and

WHEREAS, New Sterling Park LLC, an Illinois limited liability company (the “Borrower”), proposes to finance a portion of the costs of the acquisition, construction, rehabilitation and equipping of Sterling Park Apartments consisting of 181 apartment units in one building at 3301 West Arthington Street, Chicago, Illinois (the “Project”) through the issuance by the Authority of its Multifamily Housing Revenue Note, 2015 Series A (Sterling Park Apartments) (the “Note”); and

WHEREAS, the managing member of the Borrower is New Sterling Park MM LLC, an Illinois limited liability company; and

WHEREAS, a determination has been made by the Authority that the Project constitutes “multifamily rental housing” within the meaning of the Act and that the financing thereof will meet the public purposes of the Act; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Authority is now prepared to proceed with the financing of a portion of the costs of the Project through the issuance and sale of the Note, pursuant to a Funding Loan Agreement (the “Funding Loan Agreement”) among the Authority, Citibank, N.A., as funding lender (the “Funding Lender”), and U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”); and

WHEREAS, the proceeds of the Note will be loaned by the Authority to the Borrower pursuant to a Borrower Loan Agreement (the “Borrower Loan Agreement”) between the Authority and the Borrower and agreed to by the Funding Lender, and the obligation of the Borrower to pay debt service under the Borrower Loan Agreement will be evidenced by a Borrower Note (the “Borrower Note”) from the Borrower to the Authority which will be assigned by the Authority to the Funding Lender; and

WHEREAS, certain income and other rental restrictions required by Section 142 of the Internal Revenue Code of 1986 (the “Code”) will be specified in a Tax Regulatory Agreement among the Authority, the Borrower and the Fiscal Agent (the “Tax Regulatory Agreement”); and

WHEREAS, certain arbitrage requirements of Section 148 and related provisions of the Code will be specified in a Tax Compliance Agreement (the “Tax Compliance Agreement”) between the Authority and the Borrower; and

WHEREAS, the Note will be acquired by the Funding Lender; and

WHEREAS, the Borrower’s obligations under the Borrower Note and a mortgage securing the Borrower Note will be assigned by the Authority to the Funding Lender pursuant to an Assignment of Mortgage and Loan Documents from the Authority to the Funding Lender, and the Borrower’s obligations under the Borrower Loan Agreement will be assigned by the Authority to the Funding Lender pursuant to the Funding Loan Agreement; and

WHEREAS, the Borrower will be required to operate sixty-six (66) housing units within the Project for the use and occupancy of public housing eligible families and individuals and, in connection therewith, the Authority will enter into a Regulatory and Operating Agreement (the “R&O Agreement”) with the Borrower and a Declaration of Restrictive Covenants (the “Declaration”) with the Borrower and with HUD; and

WHEREAS, other sources of funding for costs of the Project will be provided by (a) Citibank first mortgage permanent loan in the approximate amount of \$4,025,000 (resulting from a prepayment of the Note in part with the LIHTC and Historic Tax Credit equity proceeds); (b) an Authority second mortgage loan in the approximate amount of \$19,715,718; (c) a sponsor loan in third position from the proceeds of an Illinois Department of Commerce and Economic Opportunity grant in the approximate amount of \$673,765; (d) a sponsor loan in the fourth position from the proceeds of an FHLB of Chicago Affordable Housing Program grant in the approximate amount of \$850,000; (e) seller financing from Sterling Park Development, LLC in the form of a fifth mortgage loan in the approximate amount of \$521,093; (f) a Citibank sixth mortgage loan in the approximate amount of \$750,000; (g) LIHTC and Historic Tax Credit equity contributions from the Investor Member in the approximate amount of \$26,680,661; and (h) Deferred Developer fee in the approximate amount of \$1,905,743; and

WHEREAS, the proceeds of the Note and the other funding sources will be disbursed pursuant to a Construction Loan Escrow and Disbursement Agreement (the “Disbursement Agreement”) among, *inter alia*, the Authority, the escrow agent and the senior lender; and

WHEREAS, notice of a public hearing with respect to the proposed issuance of the Note was published in the *Chicago Tribune*; and

WHEREAS, said public hearing was conducted on behalf of the Authority pursuant to which an opportunity was provided for residents and other interested persons to present arguments for and against the Project and the proposed issuance of the Note; and

WHEREAS, the Authority reasonably expects (based upon information supplied by the Borrower, upon which it is reasonable and prudent for the Authority to rely) to reimburse the Borrower for certain expenditures relating to the Project with proceeds of the Note; and

WHEREAS, the City Council of the City has approved or will approve the transfer to the Authority of up to \$30,000,000 of the City’s available unused volume cap for calendar year 2015 pursuant to Section 146 of the Code for use by the Authority in connection with the issuance of the Note; and

WHEREAS, the Note, the Funding Loan Agreement, the Borrower Loan Agreement, the Borrower Note, the Tax Regulatory Agreement and the Tax Compliance Agreement are referred to collectively herein as the “Authority Agreements”; and

WHEREAS, the Authority has caused to be prepared and presented to this meeting drafts of each of the Authority Agreements;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

The Authority is authorized to enter into the Authority Agreements with the other party or parties thereto in substantially the same forms now before the Authority. The forms, terms and provisions of the Authority Agreements be, and they hereby are, in all respects approved.

The Chairman, the Chief Executive Officer or the Chief Financial Officer of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and, where necessary, the Executive Advisor to the Board, the Chief Executive Officer, the Secretary or any Assistant Secretary of the Authority be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the Authority Agreements in the name, for and on behalf of the Authority, and thereupon to cause the Authority Agreements to be executed, acknowledged and delivered to the other party or parties thereto, in substantially the forms now before the Authority or with such changes therein as the individual executing the Authority Agreements on behalf of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the forms of Authority Agreements now before the Authority. When the Authority Agreements are executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, they shall be binding on the Authority. From and after the execution and delivery of the Authority Agreements, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Authority Agreements as executed. The Authority Agreements shall constitute, and hereby are made, a part of this Resolution, and copies of the Authority Agreements shall be placed in the official records of the Authority, and shall be available for public inspection at the office of the Authority.

The Note shall be issued in fully registered form, in an aggregate principal amount not to exceed \$30,000,000, as provided in the Funding Loan Agreement. The Note shall bear interest at such rate or rates as shall be set forth in the Note and the Funding Loan Agreement, in no event to exceed the lesser of (i) 10% per annum and (ii) the maximum interest rate that may be paid on the Note under State law. The Note shall mature on such date or dates as shall be set forth in the Funding Loan Agreement, but in no event later than 35 years following the date of its initial issuance and delivery to the Funding Lender. The Note shall be subject to prepayment prior to maturity as provided in the Funding Loan Agreement. The designation of the Note may be modified as necessary to reflect the calendar year of its issuance.

The Note and the interest thereon will be a special, limited obligation of the Authority, payable solely from the payments to be made by the Borrower under the Borrower Loan Agreement or from the other sources specified or referred to in the Funding Loan Agreement, which shall be specifically assigned and pledged to such purposes in the manner and to the extent provided therein. The Note and all other obligations of the Authority in connection therewith shall not be a debt of the Authority, the City or any other city, village, incorporated town or county, the State of Illinois or any political subdivision thereof and neither the City, nor any other city, village, incorporated town or county, nor the State of Illinois or any political subdivision thereof shall be liable thereon, nor in any event shall the Note or such obligations be payable out of any funds or properties other than those pledged under the Funding Loan Agreement and those other agreements specifically securing the Note. The Note shall not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

The form of the Note set forth in the Funding Loan Agreement, subject to appropriate insertions and revisions in order to comply with the provisions of the Funding Loan Agreement (as executed and delivered) be, and the same hereby are approved. The Note shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of its Chairman (or such other officer authorized by law to execute the Note on behalf of the Authority) and attested with the manual or facsimile signature of its Executive Advisor to the Board, Secretary or Assistant Secretary (or such other officer authorized by law to execute the Note on behalf of the Authority) and the seal of the Authority shall be impressed or imprinted thereon. The officers of the Authority shall cause the Note, as so executed and attested, to be delivered to the Fiscal Agent for authentication. When the Note shall be executed on behalf of the Authority in the manner contemplated by the Funding Loan Agreement and this Resolution, it shall represent the approved form of Note of the Authority.

The sale of the Note to the Funding Lender as described in the Funding Loan Agreement is hereby approved.

The Chairman, Chief Executive Officer, Chief Financial Officer, the Executive Advisor to the Board, the Custodian and Keeper of Records/Secretary and any Assistant Secretary of the

Authority be, and each of them hereby is, authorized to execute and deliver such documents, certificates, and undertakings of the Authority and to take such other actions as may be required or desirable in connection with the execution, delivery and performance of the Authority Agreements, the financing of costs of the Project and the issuance, sale and delivery of the Note.

All acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

The Authority hereby directs that the Note shall not be issued unless and until the requirements of Section 147(f) of the Code, including particularly the notice and public hearing and approval requirements have been fully satisfied, and that no contract, agreement or commitment to issue the Note shall be executed or undertaken prior to satisfaction of the requirements of said Section 147(f) unless the performance of said contract, agreement or commitment is expressly conditioned upon the prior satisfaction of such requirements. All such actions taken prior to the adoption of this resolution are hereby ratified and confirmed.

The Authority hereby allocates to the Note the "volume cap" reallocated by the City to the Authority in an amount equal to the aggregate principal amount of the Note actually to be issued.

The Authority reasonably expects (based upon information supplied by the Borrower, upon which it is reasonable and prudent for the Authority to rely) to reimburse certain expenditures with proceeds of the Note.

The Note hereby authorized shall be executed as in this Resolution provided as soon after the delivery of the Funding Loan Notification, which shall be signed by one of the officers of the Authority identified in Section 6 and shall include the pertinent final details of the Note as provided herein (the "Notification"), occurs at the closing of the Note. An executed counterpart of the Notification shall be filed with the Custodian and Keeper of the Records of the Authority. The Notification shall be entered into the records of the Authority and made available to the Board of Commissioners at the next regular meeting thereof; but such action shall be for informational purposes only, and the Board of Commissioners shall have no right or authority at such time to approve or reject such sale of the Note as evidenced in the Notification.

The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

All resolutions and orders, or parts thereof in conflict herewith are hereby superseded to the extent of such conflict.

This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

The Motion to adopt resolutions for Items 8 through 10 was seconded by Commissioner Harris and the voting was as follows:

Ayes:	Matthew Brewer
	Mark Cozzi
	Dr. Mildred Harris
	Harriet Johnson
	Jack Markowski
	Bridget Reidy
	Z. Scott
	Rodrigo Sierra

Nays:	None
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There being no questions or discussion, Chairwoman Scott thereupon declared said Motion carried and said resolutions adopted.

Michael Merchant, Chief Executive Officer, then presented his monthly report to the Commissioners.

Chairwoman Scott then invited residents and the public at large to address the Board.

There being no further business to come before the Commissioners, upon Motion made and seconded, the Regular board meeting of March 17, 2015, was adjourned at approximately 11:40 a.m.

Z. Scott
Chairwoman, Chicago Housing Authority

Lee Chuc-Gill, Secretary
Custodian and Keeper of Records